Eastman Q3 2026 Financial Results Prepared Remarks
October 29, 2026

Slides 1 and 2

This document provides the CEO's and CFO's prepared remarks for Eastman Chemical Company's third-quarter 2026 financial results. This is to be read with the third-quarter 2026 financial results news release along with the provided slides, which detail our third-quarter 2026 financial results. The aforementioned items were publicly issued and posted on our website (investors.eastman.com) after the close of NYSE trading on October 29, 2026. On October 30, 2026, at 8:00 a.m. ET, Mark Costa, Board Chair and CEO, and Willie McLain, Executive Vice President and CFO, will host a public question-and-answer session with industry analysts that is accessible on our website or by telephone as detailed in our financial results news release. This document, the accompanying slides, and the call/webcast that follows include certain forward-looking statements concerning our plans and expectations. Certain risks and uncertainties that may cause actual results to be different than our plans and expectations are or will be detailed in the company's third-quarter 2026 financial results news release, in the remarks in this document and in the accompanying slides, during the call, and in our filings with the Securities and Exchange Commission, including the Form 10-K filed for full-year 2025 and the Form 10-Q to be filed for third quarter 2026. All earnings referenced in this presentation, the accompanying slides, and the call/webcast exclude certain non-core and unusual items. Reconciliations to the most directly comparable GAAP financial measures and other associated disclosures, including a description of the excluded and adjusted items, are available in the third-quarter 2026 financial results news release.

Slide 3 – 3Q 2026 highlights

Our third-quarter results demonstrate the resilience of our businesses in a dynamic environment. We delivered year-over-year EPS growth and solid cash flow, supported by strong performance in Additives & Functional Products. In Advanced Materials, improved selling prices substantially offset higher raw material and distribution costs, reflecting commercial discipline. In Fibers, we remain on track to deliver expected volume growth in the second half as

customers meet their annual contract commitments. We also announced the reinstatement of a U.S. Department of Energy award supporting the reindustrialization of the strategically important domestic recycled-plastics supply chain. Our circular program remains on track to generate up to $100 million in revenue growth this year and significant growth in 2027, as we advance a more capital-efficient model. In addition, we remain on track to deliver savings of $125 million to $150 million, net of inflation. Despite persistent inflation and volatility, we generated solid third-quarter operating cash flow and expect working capital to be released in the fourth quarter.

Slide 4 – Corporate

Third-quarter 2026 adjusted EPS of $1.84 was up significantly compared to third quarter 2025 and modestly lower on a sequential basis. The escalation of the Middle East conflict was the primary driver of sequential decline. Compared to the second quarter, third-quarter revenue decreased 5 percent due to 7 percent lower sales volume/mix, partially offset by 2 percent higher selling prices. The lower sales volume/mix was driven by seasonal declines across several end markets as well as cautious behavior from our customers due to concerns of how the conflict is leading to inflation and higher interest rates. Selling prices increased in the specialty businesses to keep pace with higher raw material and distribution costs, partially offset by lower selling prices in Chemical Intermediates following tight market conditions in second quarter. EBIT decreased due to lower sales volume/mix, partially offset by lower planned maintenance costs. Price-cost was stable sequentially. We did not realize the price-cost tailwind that we expected in Advanced Materials and Chemical Intermediates as raw materials escalated due to the Middle East conflict escalation.

Slide 5 – Advanced Materials

In the third quarter compared to the second quarter, sales revenue decreased 7 percent due to 10 percent lower sales volume/mix, partially offset by 3 percent higher selling prices. The lower sales volume/mix in specialty plastics was driven by seasonal declines across our end markets, some operational constraints, and increasing customer caution in consumer durables. In performance films, lower sales volume/mix was due to continued weakness in the

automotive market, particularly in China. Advanced interlayers delivered flat sales volume/mix through innovation despite underlying auto OEM production that was down greater than 2 percent sequentially.

EBIT decreased as lower sales volume/mix was partially offset by improving utilization and lower operational costs.

In the third quarter, Advanced Materials EBIT was below our original expectations primarily due to three factors. First, end-market demand softened during the quarter. Our customers in consumer durables became more cautious about their expectations of end-market demand headed into next year due to increasing inflation and interest rates as a result of the impact of the Middle East conflict. In automotive, the aftermarket for performance films remained challenged in an already very weak domestic Chinese auto market. The second factor was operational constraints, where we realized less of a cost and utilization tailwind than expected. In particular, we experienced some delays in the startup of our new Tritan™ line and the scale up of a polymer line that we converted to PET. To serve customers and build safety stock, we moved our planned shutdown in specialty plastics from the third quarter to the fourth quarter. The third factor is price-cost. Our pricing actions through July kept up with higher raw material costs, but the escalation of paraxylene costs toward the end of the quarter was a headwind resulting in a modest decline in price-cost.

Looking to the fourth quarter, we expect seasonal declines across our end markets as customers remain cautious through year-end. Partially offsetting this volume/mix decline will be continued ramp up of volume from the Kingsport methanolysis facility. Paraxylene costs have also moved significantly higher due to higher oil prices. In response to this, we are taking pricing actions where feasible in the fourth quarter to cover higher raw material costs. Planned maintenance is also a sequential headwind of approximately $20 million. When putting all these factors together, we project fourth-quarter EBIT to be lower than third quarter.

Full-year 2026 EBIT is expected to grow modestly compared to 2025 in a tough macroeconomic environment. While this growth is less than we originally expected to start the year, we are on track to deliver approximately 3 percent volume/mix growth above a soft

underlying end-market environment. In consumer durables, we are expecting to grow volume mid-single-digit percent compared to an underlying market that is moderately declining. In automotive, we expect to be flat despite underlying automotive sales that are expected to decline 3 percent to 4 percent, including a very challenged market in China. At our Kingsport methanolysis facility, we are expecting to have a strong ramp up in customer orders in the fourth quarter, and revenue growth is expected to be up to $100 million for the full year. About half of this growth is in specialties and half is rPET in consumer packaging. We also upgraded our mix this year and walked away from some low-value products in medical.

In addition, we had approximately $45 million of headwinds this year that should not repeat next year. These headwinds include approximately $30 million of compression in price-cost and approximately $15 million of operational issues. Additionally, we had less of a utilization tailwind than originally planned for 2026. On price-cost, while we continue to do a good job covering higher-cost paraxylene in specialty plastics, recent increases require new rounds of price increases and we expect to end the year slightly behind parity. In films, annual contracts in interlayers limit pricing actions to offset higher raw material costs while performance films improved price cost.

As we consider how 2026 is playing out, we believe we are well-positioned for growth in 2027. We've demonstrated we can deliver volume growth across flat-to-declining markets, and we expect to do that again next year. Circular is expected to deliver another $100 million of incremental revenue in 2027 and we expect to deliver above-market growth in auto, consumer durables, and cosmetic packaging. We also expect to benefit from a meaningful price-cost tailwind as we implement further price increases on January 1st, 2027 to offset higher raw material and distribution costs. And with a return to more normal operations, we will have an operational cost and utilization tailwind.

Slide 6 – DOE reinstates $375M award to fund a ~30% Kingsport methanolysis debottleneck and a milestone-based path to our second facility

We are excited to announce that the U.S. Department of Energy (DOE) has reinstated a previous award to support Eastman's investment in our circular economy platform. The

reinstated award is $375 million, less approximately $35 million Eastman has received related to investment in design and engineering under the previous agreement. The award provides an opportunity for Eastman and the DOE to advance an updated investment plan that expands proven, U.S.-developed methanolysis technology, restores underutilized American recycling assets and increases domestic capacity to transform difficult-to-recycle polyester waste into virgin-quality recycled materials.

This award has enhanced the scope, as the DOE will now support the debottleneck at the Kingsport facility and associated investments for feedstock, and additional polymer capacity, and provides up to 50% support for the enhanced scope.

Reinstatement of the award creates a disciplined pathway for our second U.S. methanolysis facility, including flexibility for the location and timing of the project. The scope of the project continues to include a methanolysis facility, polymer capacity, and thermal batteries at scale. The project scope no longer includes solar power for the facility. We also have confidence in additional actions to substantially reduce capital for the second facility. Milestones for moving forward with the project continue to include customer contracts and supportive policy.

For our customers, the reinstatement of the award creates an opportunity. By partnering with Eastman, they can secure reliable domestic sources of high-quality recycled content while helping build responsible recycling end markets that convert hard-to-recycle waste into valuable materials. Customer commitments are what will translate this proven technology into a stronger, more resilient U.S. circular economy.

Slide 7 – Additives & Functional Products

In the third quarter compared to the second quarter, revenue decreased by 3 percent driven by 7 percent lower sales volume/mix offset by 4 percent higher selling prices. The lower sales volume/mix was driven by seasonality across key end markets, primarily in agriculture. Higher selling prices were due to cost-pass-through contracts. EBIT increased modestly as lower sales volume/mix was more than offset by improved price-cost and higher utilization after second quarter shutdowns.

Additives & Functional Products continues to deliver strong results. EBIT in the third quarter was ahead of original expectations as the teams did an excellent job in all aspects of business execution, including commercial excellence improving price-cost and strong operational performance.

Looking to the fourth quarter, we expect seasonal declines across key end markets and typical customer year-end inventory management. Price-cost is expected to remain stable. As a result, we project fourth-quarter EBIT to be lower than third quarter.

As we reflect on 2026 for Additives & Functional Products, we are proud of the growth the teams are delivering in a difficult environment. The business has benefited from growth in stable end markets and innovation across the segment, outstanding price-cost management, and strong operational performance and productivity. This performance more than offset a $20M headwind from discontinued products and demand weakness in both automotive and building and construction markets. Additives & Functional Products is well positioned to continue delivering growth in 2027 across a range of macroeconomic scenarios.

Slide 8 – Fibers

In the third quarter compared to the second quarter, sales revenue increased 5 percent driven by 3 percent higher sales volume/mix and 2 percent higher selling prices. Higher sales volume/mix was due to increased sales for acetate tow as customers increased orders in the second half of the year to meet annual contract minimum commitments. This higher sales volume/mix growth was limited by the greater than expected challenges in fulfilling orders in the Middle East. Higher sequential selling prices were due to higher raw material costs in liquid chemicals. EBIT increased due to higher sales volume/mix in acetate tow and lower planned maintenance costs, with both factors contributing in approximately equal parts.

Looking ahead to the fourth quarter, we expect higher sales volume/mix in acetate tow as customers meet their annual contract commitments. We also expect to improve sales volume/mix as we catch up on fulfilling orders with some customers in the Middle East. We do not expect much improvement in the textiles market. When putting these factors together, we project fourth-quarter EBIT to be higher than third quarter.

In 2026, we expect to deliver stable acetate tow volumes. The textiles market did not recover this year as originally projected. The primary driver of the earnings decline this year was lower prices by mid-single digits and asset utilization headwinds across the cellulosics stream.

As we move into 2027, we expect stability in earnings. We expect higher volume in acetate tow with moderate price declines, less destocking, and a benefit from better asset utilization. In textiles, there are signs of some modest improvement, and any meaningful increase would be upside to our current expectations.

Slide 9 – Chemical Intermediates

In third quarter compared to second quarter, sales revenue decreased 10 percent due to 7 percent lower sales volume/mix and 3 percent lower selling prices. The lower sales volume/mix was due to reduced sales on bulk ethylene where we took advantage of the marketplace, and continuing difficult market conditions in key end markets like building and construction. Selling prices were lower following the moderation of tight market conditions that occurred in the second quarter. EBIT decreased due to lower spreads, partially offset by modestly lower planned maintenance costs.

Looking ahead to the fourth quarter, we expect a seasonal decline in demand across key end markets including building and construction. Looking at spreads, costs for propane have significantly increased while propylene prices have lagged. We currently have a substantial disconnect in U.S. propylene prices relative to Asia by about $0.20 per pound. The cash margins are breakeven for PDH units in the U.S. and negative for naphtha in Europe. Historically, propylene prices converge in these arbitrage situations. We expect the current disconnect is a temporary event that will primarily impact the fourth quarter. We are encouraged to see spot prices for propylene beginning to move up in the U.S. and we are raising prices in our derivatives. In response to this temporary headwind, we are taking actions in the fourth quarter to manage costs, optimize our feedstock slate, and leverage inventories. We are also serving export markets where the propylene derivative prices are higher due to high costs in Asia. Partially offsetting this decline in olefins is an expected modest sequential improvement in

acetyls resulting from higher pricing in the market. When putting these factors together, we project fourth-quarter EBIT to be slightly above breakeven.

Slide 10 – E2P: Enhanced operating flexibility creates lower volatility and improved earnings potential in all ethylene market conditions

We are pleased to be moving forward with our highly attractive E2P project, a metathesis project that converts our merchant ethylene position into polymer grade propylene for internal use. We are able to build this capacity in a very capital-efficient manner by repurposing one of our existing crackers at the Longview, Texas, site. This project enhances our operating flexibility across all ethylene market conditions by allowing us to convert our merchant ethylene into propylene to support high-value propylene derivative production. We also retain the flexibility to shift back to ethylene when it is attractive. This new configuration of our olefin assets is expected to reduce volatility and add $75 million to $125 million of EBITDA across the cycle. The majority of the benefit will be in Chemical Intermediates, with some benefit in Additives & Functional Products and Advanced Materials. The project has strong financial returns, with a simple payback in one to two years. We are starting construction at the beginning of 2027, startup is expected in the second half of 2028, and the remaining project capital will be spread across 2027 and 2028.

Slide 11 – Cash flow and other financial highlights

Strong cash flow remains a hallmark of Eastman's financial profile, and we continue to navigate uneven end markets and substantial inflation across our portfolio. Operating cash flow is expected to be approximately $850 million in 2026. Through the first 9 months of 2026, we have generated $377 million in operating cash flow, while working capital has consumed $561 million of cash across accounts receivable and inventory. As we look to the fourth quarter, we expect to release approximately $250 million of working capital as we reduce inventories and accounts receivable. During this prolonged period of macroeconomic weakness, our capital allocation has remained disciplined. Capital expenditures this year are on track to be approximately $400 million. In addition, through 9 months, we have returned $288 million to stockholders through our dividend. Our financial flexibility is supported by our solid investment-

grade balance sheet and solid liquidity. We also continue to keep our highest-and-best owner mindset regarding our portfolio.

Slide 12 – 2026 outlook

Turning to our outlook, we remain on track to deliver strong earnings growth compared to last year, despite the substantial volatility in the underlying macroeconomic environment.

Starting with the tailwinds, we will deliver growth across the company and are on track to deliver 3 percent sales volume/mix at a corporate level in 2026 compared to 2025. Our innovation-driven growth model remains the primary driver of growth across our specialty businesses. We expect to deliver solid revenue and earnings growth from our circular platform this year, and we are proud to deliver these results in a tough environment. In consumer durables, we expect to drive mid-single digit growth in Tritan on a full-year basis in specialty plastics, even with continued pressure in the underlying market. In automotive, we are expecting to hold flat to last year, despite global automotive sales projected to be down 3 percent to 4 percent this year. In Additives & Functional Products, we are driving growth in Eastman EastaPure™ ultra-high purity solvents for semiconductors, pharma for GLP-1s, and in aviation fluids. In Chemical Intermediates, we also continue to substantially benefit from increased volume/mix due to significantly reduced planned shutdown activity and strong operational performance in olefins this year.

We expect price-cost to be higher at a corporate level this year. We will benefit from improved spreads in Chemical Intermediates. In the specialties, price-cost is expected to be neutral to last year, with expansion in Additives & Functional Products and some headwinds in Advanced Materials due to a lag in pricing, which is catching up to recent re-escalation of raw material and distribution costs. In Fibers, price-cost is lower this year following lower pricing and higher raw material, energy, and distribution costs and will partially offset the benefit in Chemical Intermediates.

Other tailwinds include our cost reduction actions, which are also on track to deliver $125 million to $150 million of savings, net of inflation, building on the actions we took in 2025. In addition, we expect a foreign currency benefit of $50 million.

External Use

At the same time, underlying consumer discretionary demand remains challenged. The conflict in the Middle East is increasing inflation and interest rates and having a negative impact on demand. The recent re-escalation of inflation and the continuation of this conflict is increasing customer caution in consumer discretionary end markets limiting growth from our innovation programs, as we discussed in the tailwinds. The continued conflict in the Middle East is also re-escalating raw material and distribution costs, and the specialty businesses are implementing price increases to catch back up to these higher costs. In Fibers, we continue to expect a modest decline in pricing for the full-year and did not see any recovery in the textiles end market in 2026. The Middle East conflict has also increased costs to serve our Fibers customers in that region. Variable compensation expense also remains a year-over-year headwind as it resets to a normal factor. We also did not realize the expected utilization benefits this year, especially in Advanced Materials, due to our operational issues. And with seasonal declines in volume and persistent inflation, we now expect full year 2026 operating cash flow to be approximately $850 million.

Looking sequentially at the fourth quarter, we expect seasonal volume/mix declines across our key end markets, partially offset by increased sales volume/mix in our Renew platform and in Fibers. In Chemical Intermediates, spreads are compressing because of the temporary disconnect of high propane prices relative to lagging propylene prices. In the specialties, price-cost is expected to be moderately down as we catch up to higher costs in paraxylene in Advanced Materials. We also expect to have $20 million of higher planned shutdown costs. When putting these factors together, we expect to deliver full-year adjusted EPS of $6.00 to $6.20, which would be strong growth compared to 2025. As we reflect on this year, the ways in which we are delivering growth are different compared to our original expectations in January. The consistency we are delivering is underpinned by our diverse portfolio, strong specialty pricing power, and nimble actions to navigate the Middle East conflict. In the final two months of the year, we remain well-positioned to build upon our results in 2026 and drive further improvement in 2027.

Forward-looking statements

This information and other statements by the company may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act with respect to, among other items: projections and estimates of earnings, revenues, volumes, pricing, margins, sales, cost reductions, expenses, taxes, liquidity, capital expenditures, cash flow, dividends, share repurchases or other financial items, supply and demand, capacity and utilization, growth opportunities, statements of management's plans, strategies and objectives for future operations, and statements regarding future economic, industry or market conditions or performance. Such projections and estimates are based upon certain preliminary information, internal estimates, and management assumptions, expectations, and plans. Forward-looking statements are subject to a number of risks and uncertainties, and actual performance or results could differ materially from that anticipated by any forward-looking statements. Forward-looking statements speak only as of the date they are made, and the company undertakes no obligation to update or revise any forward-looking statement. Other important assumptions and factors that could cause actual results to differ materially from those in the forward-looking statements are detailed in the sections entitled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the company's Annual Report on Form 10-K for the fiscal year ended December 31, 2025, and as updated in the company's filings with the Securities and Exchange Commission (the "SEC"), which are accessible on the SEC's website at www.sec.gov and the company's website at http://www.eastman.com.

External Use